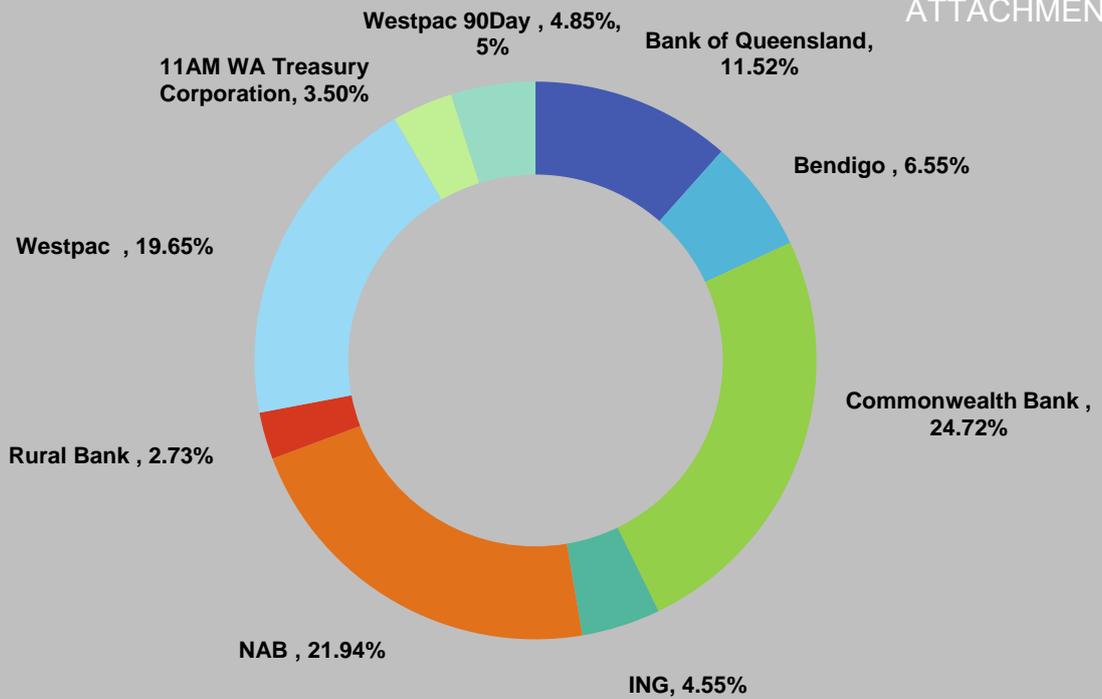


	Notes	Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates	1	(98,299,517)	(98,299,518)	(98,481,431)	181,913	0%
Specified Area Rates		(712,913)	(712,913)	(713,538)	625	0%
Grants and Subsidies	2	(4,361,215)	(2,354,795)	(2,213,773)	(141,022)	(6)%
Contributions Reimbursements and Donations		(1,101,411)	(785,011)	(785,516)	505	0%
Profit on Asset Disposals	3	(1,272,356)	(1,272,164)	(1,652,603)	380,439	30%
Fees and Charges	4	(39,753,128)	(35,679,732)	(36,023,994)	344,262	1%
Interest Earnings		(1,448,715)	(1,241,031)	(1,263,526)	22,495	2%
Other Revenue/Income		(581,584)	(491,944)	(488,311)	(3,633)	(1)%
<b>Total Operating Revenue</b>		<b>(147,530,839)</b>	<b>(140,837,108)</b>	<b>(141,622,692)</b>	<b>785,584</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	5	63,237,543	47,461,654	45,003,847	2,457,807	5%
Materials and Contracts	6	53,472,769	36,269,117	33,012,093	3,257,024	9%
Utilities (gas, electricity, water etc.)	7	6,023,862	4,406,312	4,187,882	218,430	5%
Depreciation & Amortisation of Non-Current Assets	8	32,879,000	23,153,811	23,045,383	108,428	0%
Loss on Asset Disposals	9	270,581	85,510	70,373	15,137	18%
Interest Expenses		385,405	286,846	284,187	2,659	1%
Insurance Expenses		1,458,177	1,453,390	1,452,306	1,084	0%
<b>Total Operating Expenses</b>		<b>157,727,337</b>	<b>113,116,640</b>	<b>107,056,071</b>	<b>6,060,569</b>	<b>5%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>10,196,498</b>	<b>(27,720,468)</b>	<b>(34,566,621)</b>	<b>6,846,153</b>	<b>25%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(32,879,000)	(23,153,811)	(23,045,383)	(108,428)	(0)%
Loss on Asset Disposal		(270,581)	(85,510)	(70,373)	(15,137)	(18)%
Profit on Asset Disposals		1,272,356	1,272,164	1,652,603	(380,439)	(30)%
Other Non-Current items						
Movement in Non-current Items	10	(100,000)	-	(800)	800	100%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(21,780,727)</b>	<b>(49,687,625)</b>	<b>(56,030,574)</b>	<b>6,342,949</b>	<b>13%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies	11	(11,417,861)	(5,120,963)	(6,401,938)	1,280,975	25%
Capital Contributions	12	(1,254,745)	(804,745)	(995,053)	190,308	24%
Equity Distribution - TPRC		(500,000)	-	-	-	0%
Other Non-Operating Revenue	13	(170,589)	(170,589)	(235,358)	64,769	38%
<b>Total Non-Operating Revenue</b>		<b>(13,343,195)</b>	<b>(6,096,297)</b>	<b>(7,632,349)</b>	<b>1,536,052</b>	<b>9%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	14	2,216,411	1,799,960	1,285,824	514,136	29%
Capital Works	15	43,721,775	21,236,180	19,451,479	1,784,701	8%
Vehicle and Plant Replacements	16	2,467,156	1,605,156	1,408,804	196,352	12%
<b>Total Capital Expenditure</b>		<b>48,405,342</b>	<b>24,641,296</b>	<b>22,146,107</b>	<b>2,495,189</b>	<b>10%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>35,062,146</b>	<b>18,544,999</b>	<b>14,513,758</b>	<b>4,031,241</b>	<b>22%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>13,281,419</b>	<b>(31,142,626)</b>	<b>(41,516,816)</b>	<b>10,374,190</b>	<b>33%</b>
<b>FUNDING</b>						
Proceeds from Disposal	17	(2,029,485)	(1,952,099)	(1,709,685)	(242,414)	(12)%
Loans - New Borrowings		-	-	-	-	0%
Loans - Repayment of Principal		2,445,660	1,900,746	1,900,746	-	0%
Transfer from Trust		(95,588)	-	-	-	0%
Transfer from Reserve		(31,109,519)	-	-	-	0%
Transfer to Reserve		37,062,477	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(19,608,893)	(19,608,893)	(19,608,893)	-	0%
<b>CLOSING FUNDS</b>	18	<b>(53,929)</b>	<b>(50,802,872)</b>	<b>(60,934,648)</b>	<b>10,131,776</b>	<b>20%</b>

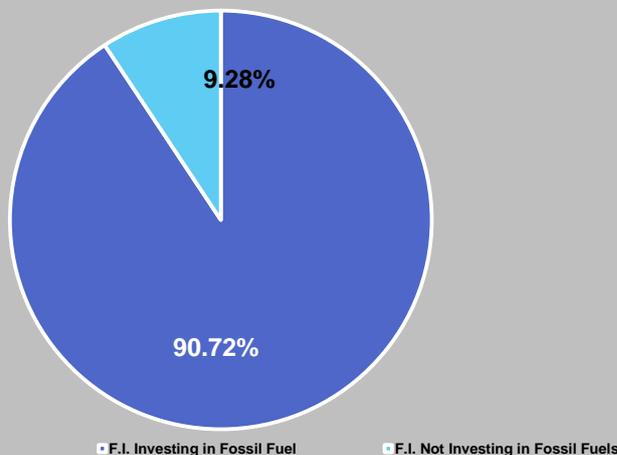


Municipal Funds	\$85,833,422	YTD Return	0.88%
Reserve Funds	\$79,071,578	Benchmark	0.60%
	<u>\$164,905,000</u>	RBA Rate	0.10%

<b>Investment Policy Limits</b>					
	<u>LT Rating</u>	<u>Limit</u>		<u>LT Rating</u>	<u>Limit</u>
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bendigo	A-*	25%	Rural Bank	A-*	10%
Commonwealth Bank	AA-	10%	Suncorp	A+	15%
ING	A+	25%	Westpac	AA-	25%
			11AM WATC	AA+	25%

\*S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating

**Financial Institutions (FI) Investing Vs Not Investing in Fossil Fuels\***



\*Based on Market Forces ratings (<http://marketforces.org.au/>)

**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MARCH 2021**

**1. Rates \$181,913**

A favourable variance arose mainly due to additional Interim Rates \$181,763.

**2. Grants and Subsidies (\$141,022)**

This unfavourable variance mainly arose due to timing of the Fire Mitigation Grant (\$117,000), Beach Cleaning and Sand Drift (\$75,000) and Joondalup Festival (\$45,000) which was cancelled. This was partially offset by a favourable timing variance from Smart Cities & Suburbs Grant received for Yellagonga Wetlands \$83,958.

**3. Profit on Asset Disposal \$380,439**

This favourable timing variance mainly arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park \$421,127, partially offset by the loss on the sale of fleet (\$40,688).

**4. Fees and Charges \$344,262**

	YTD Budget	YTD Actual	Variance
a) Building and Development	\$1,506,825	\$1,827,410	\$320,585
Other Fees & Charges	\$34,172,907	\$34,196,584	\$23,677
	<u>\$35,679,732</u>	<u>\$36,023,994</u>	<u>\$344,262</u>

a) Favourable variance arose from Development Application Fees \$159,305, Building Permits \$89,380 and Land Purchase Enquiries \$41,689.

**5. Employee Costs \$2,457,807**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$45,817,430	\$43,657,682	\$2,159,748
b) Other Employment Costs	\$1,644,224	\$1,346,165	\$298,059
	<u>\$47,461,654</u>	<u>\$45,003,847</u>	<u>\$2,457,807</u>

a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.

b) Favourable timing variances arose from Staff Training \$110,240, Conferences and Seminars \$82,055 and Agency Employees \$36,875.

**6. Materials and Contracts****\$3,257,024**

	YTD Budget	YTD Actual	Variance
a) External Service Expenses	\$10,063,270	\$9,212,973	\$850,297
b) Other Materials	\$1,717,234	\$1,352,115	\$365,119
c) Public Relations, Advertising & Promotions	\$824,484	\$488,322	\$336,162
d) Professional Fees & Costs	\$1,482,599	\$1,185,382	\$297,217
e) Furniture, Equipment and Artworks	\$1,834,584	\$1,538,577	\$296,007
f) Travel, Vehicles & Plant	\$1,260,601	\$1,007,417	\$253,184
g) Waste Management Services	\$12,957,877	\$12,782,617	\$175,260
h) Contributions & Donations	\$1,057,821	\$883,935	\$173,886
i) Administration	\$815,988	\$647,372	\$168,616
j) Telephones and Communication	\$620,029	\$500,354	\$119,675
k) Accommodation & Property	\$718,588	\$625,565	\$93,023
l) Charges and Recoveries	(\$61,980)	(\$129,677)	\$67,697
Other Materials & Contracts	\$2,978,022	\$2,917,441	\$60,881
	<u>\$36,269,117</u>	<u>\$33,012,093</u>	<u>\$3,257,024</u>

- a) Favourable timing variances arose mainly from External Contractors and Services \$711,580, including Parks \$277,011, Natural Areas \$266,465, Waste Management Services \$94,840 and Leisure Centres \$82,272. In addition, Programme Activities also reflected a favourable timing variance of \$100,197. The balances of variances are spread across a number of areas.
- b) This favourable timing variance arose mainly due to External Material Purchases Contract \$362,213 predominately in relation to Parks \$198,164 and Roads \$93,483. The balances of variances are spread across a number of areas.
- c) Favourable variance arose mainly from General Advertising \$131,217, Promotions \$67,813 and Catering \$67,641. The balances of variances are spread across a number of areas.
- d) Favourable variance arose from Consultancy \$107,031, Legal Expenses Recoverable \$75,495 and Lodgement Fees \$73,592. The balances of variances are spread across a number of areas.
- e) A favourable variance arose mainly from Hire of Equipment \$167,456 predominately in relation to Valentine's Day Concert \$117,259, Plant & Equipment Maintenance & Repair \$65,180 and Computer & Communications Equipment Maintenance & Repair \$54,110. The balances of variances are spread across a number of areas.
- f) This favourable variance arose mainly from Fuel \$164,563 due to a reduction in price, Vehicle Servicing Costs \$27,037 and Tyres & Tubes \$22,111. The balances of variances are spread across a number of areas.
- g) This favourable variance arose mainly from Recycling Processing & Govt Levy \$171,963. The balances of variances are spread across a number of areas.
- h) Favourable timing variance arose from Grants & Contributions Made \$118,410, and Sponsorship \$34,662. The balances of variances are spread across a number of areas.

- i) Favourable timing variance arose mainly from Printing \$76,874, Photography and Video Production \$31,595 and Stationary \$29,793. The balances of variances are spread across a number of areas.
- j) This favourable variance arose mainly from Postage, Courier and Freight Services \$50,480 and Mobile Phones, Pagers, Radios \$45,339. The balances of variances are spread across a number of areas.
- k) This favourable variance arose mainly from Refuse Removal Charges \$63,477 and Rental and Outgoings \$21,928. The balances of variances are spread across a number of areas.
- l) A favourable variance arose mainly from savings in Vehicle Running Expenses \$120,179, partially offset by Fleet and Plant Capital Recovery (\$66,156). The balances of variances are spread across a number of areas.

**7. Utilities \$218,430**

Favourable timing variances arose mainly from Electricity costs for Buildings \$100,393, Parks \$52,424 and Roads \$48,024.

**8. Depreciation & Amortisation of Non-Current Assets \$108,428**

Favourable variances arose for Depreciation Roads Infrastructure \$62,018 and Depreciation Buildings \$34,300. The balances of variances are spread across a number of areas.

**9. Loss on Asset Disposals \$15,137**

An unfavourable variance mainly arose due to Loss on Asset Disposal for Fleet and Plant \$18,877.

**10. Movement in Non-Current Items \$800**

This timing variance arose in respect of an increase in Non-current Long Service Leave Liability.

**11. Capital Grants and Subsidies****\$1,280,975**

	YTD Budget	YTD Actual	Variance
a) Commonwealth Grants – Capital Roads to Recovery	\$635,196	\$1,142,711	\$507,515
b) Commonwealth Grants – Capital Other	\$734,064	\$1,221,355	\$487,291
c) Other Grants and Subsidies – Capital Other	\$113,793	\$302,293	\$188,500
d) State Government Grants – Capital MRRG Road Grants	\$2,249,924	\$2,366,100	\$116,176
e) State Government Grants – Capital Other	-	\$100,160	\$100,160
f) State Government Grants – Capital Black Spot	\$353,721	\$235,054	(\$118,667)
Other Programs	\$1,034,265	\$1,034,265	-
	<u>\$5,120,963</u>	<u>\$6,401,938</u>	<u>\$1,280,975</u>

- a) This favourable variance predominately related to Roads to Recovery grants received earlier than expected including RPR3106 Lilburne Road \$166,813, RPR3108 Doveridge Drive \$134,054, RPR3131 Ballantine Road \$90,804, PRP3071 Scaphella Avenue – Charonia \$50,000 and RPPR308 Treetop/Outlook \$25,016.
- b) This favourable variance arose from Local Roads and Communities Infrastructure grants received earlier than expected for BCW2586 Whitfords Library \$147,612, FPR2274 Marmion Avenue \$62,500, FNM2051 Coastal & Foreshore Fencing \$56,314, FNM2080 Mullaloo Coastal Fencing \$45,164, FNM2059 Bushland Reserve Fencing \$44,857 and FPR2275 Marmion Avenue – Mermaid to Ocean Reef \$35,996.
- c) This favourable variance mainly arose due to STL2057 Timberlane Park \$160,000 and FPN2273 \$34,500 which has been received earlier than expected.
- d) This favourable variance mainly arose due to RDC2019 Burns Beach Road/Joondalup Drive Roundabout \$133,663 with the final 20% claim received, partially offset by SBS2083 Whitfords Avenue Trappers Drive (\$21,468) due to a refund of unspent income.
- e) Favourable variance due to the final payment for PEP2707 Whitfords Nodes Park Health & Wellbeing Hub \$100,160.
- f) Unfavourable variances due to final payments for SBS2086 Ocean Reef Road (\$92,000) and SBS2089 Hepburn Avenue (\$26,667) not expected to be received until June.



**12. Capital Contributions \$190,308**

This favourable timing variance predominately arose in respect of the Works Operation Centre Extension \$168,182. The balances of variances are spread across a number of areas.

**13. Other Non-Operating Revenue \$64,769**

This favourable timing variance predominately arose from GST reimbursements in respect of TPRC land sales undertaken.

**14. Capital Projects \$514,136**

This favourable timing variance arose due to progress of Network Infrastructure Upgrade Program \$144,859, IT Disaster Recovery Facilities \$131,859, Cafes/Restaurants/Kiosks \$77,660, Yellagonga Wetlands – Smart Monitoring and Management \$56,007 and Automation Accounts Payable \$54,390. The balances of variances are spread across a number of areas.



## 15. Capital Works

**\$1,784,701**

	No. Budgeted Projects	YTD Budget	YTD Actual	Variance	Key Variance
a) Major Road Construction Program (RDC)	8	\$1,561,951	\$1,016,278	\$545,673	RDC2021 - \$318,793 RDC2020 - \$134,497 RDC2024 - \$49,236
b) Major Projects Program (MPP)	11	\$1,396,115	\$950,632	\$445,483	MPP2069 - \$197,700 MPP2058 - \$197,081 MPP2072 - \$99,854
c) Road Preservation/Resurfacing Program (RPR)	105	\$5,710,074	\$5,395,472	\$314,602	RPR3160 - \$188,545 RPR3129 - (\$26,786)
d) Street Lighting Program (STL)	24	\$2,460,302	\$2,241,342	\$218,960	STL2003 - \$76,529 STL2057 - \$60,000 STL2101 - \$26,267
e) Local Traffic Management (LTM)	14	\$681,885	\$512,942	\$168,943	LTM2172 - \$70,959 LTM2179 - \$64,948
f) Parks Development Program (PDP)	44	\$1,535,320	\$1,409,030	\$126,290	PDP2288 - \$20,733 PDP2312 - \$19,603 PDP2304 - \$19,448
g) Major Building Capital Works Program (BCW)	22	\$2,025,149	\$2,094,933	(\$69,784)	BCW2647 - (\$120,938) BCW2616 - (\$66,349) BCW2646 - \$99,668
h) Parks Equipment Program (PEP)	44	\$1,454,789	\$1,517,192	(\$62,403)	PEP2721 - (\$53,628)
Other Programs	104	\$4,410,596	\$4,313,659	\$96,937	
	<b>376</b>	<b>\$21,236,180</b>	<b>\$19,451,480</b>	<b>\$1,784,701</b>	

- a) This favourable variance predominantly relates to RD2020 Whitfords Avenue/Northshore \$318,793 which is currently in progress. Other variances relate to projects currently in design or investigation including RDC2020 Warwick Road/Erindale \$134,497 and RDC2024 Shenton Avenue \$49,236.

- b) A favourable variance mainly arose due to timing of projects currently in progress including MPP2069 Percy Doyle – Floodlighting \$197,700, MPP2058 Chichester Park \$197,081 and MPP2072 Percy Doyle – Utilities \$99,854.
- c) Favourable variances across the program mainly relate to the 71 completed projects totalling \$268,254 and awaiting outstanding invoices. Other positive variances relate to projects currently in progress \$46,348.
- d) This favourable variance predominantly relates to STL2003 Joondalup City Centre Lighting \$76,529, STL2057 Timerlane Park \$60,000 and STL2101 George Sears Park \$26,267 which are all currently in progress.
- e) A favourable variance arose mainly due to LTM2172 Hepburn Allenswood \$70,959 which has been completed and awaiting outstanding invoices. A favourable timing variance also arose on LTM2179 Endeavour/Cook/Kebble – Pedestrian Upgrade \$64,948.
- f) Favourable variances occurred on projects currently in progress including PDP2288 Calthorpe Park \$20,733, PDP2312 Tarolina Park \$19,603, PDP2304 Waterview Park \$19,448, PDP2308 Wolinski Park \$17,463 and PDP2301 Wallangarra Park \$15,800.
- g) Unfavourable variances mainly relate to timing of projects currently in progress including BCW2647 Iluka Sports Club (\$120,938), BCW2616 Duncraig Library (\$66,349), partially offset by a favourable timing variance on BCW2646 Belrose Park \$99,668.
- h) Unfavourable variance mainly arose due to PEP2721 Menteith Park (\$53,628) which is currently in progress.

**16. Vehicle and Plant Replacements**
**\$196,352**

A favourable variance arose mainly in relation to the timing of capital acquisition of two Isuzu Trucks \$122,473 and one Amazone Verimower \$66,000. Orders totalling \$615,488 are currently awaiting delivery.

**17. Proceeds from Disposal**
**(\$242,414)**

An unfavourable variance arose mainly due to lower than expected proceeds received from the disposal of fleet (\$238,674).

**18. Closing Funds**
**\$10,131,776**

	June 2020	March 2021
<b>Current Assets</b>		
Cash and Investments	\$125,037,769	\$165,659,056
Rates Outstanding, Sundry Debtors and Other Receivables	\$5,559,755	\$6,035,719
Accrued Income	\$983,654	\$605,821



Prepayments	\$443,960	\$660,456
Inventories	\$135,252	\$161,236
Land Held for Resale	\$1,649,532	
<b>Total Current Assets</b>	<b>\$133,809,922</b>	<b>\$173,122,288</b>
<b>Current Liabilities</b>		
Trade Creditors	\$4,934,820	\$1,759,970
Sundry Payables	\$555,119	\$4,067,798
Accrued Expenses	\$3,906,427	\$3,536,285
Other Payables	\$4,726,047	\$1,221,867
Borrowings	\$2,445,660	\$544,913
Lease Liability	\$362,194	\$76,530
Provision for Annual Leave	\$4,937,838	\$4,623,716
Provision for Long Service Leave	\$6,444,938	\$6,377,034
Provision for Purchased Leave	\$92,539	\$129,681
Provision for Workers Compensation Insurance	\$2,048,076	\$2,762,879
Provision for Sick Leave	\$1,114,783	\$1,103,384
Other Provisions	\$66,705	\$9,415
<b>Total Current Liabilities</b>	<b>\$31,635,146</b>	<b>\$26,213,472</b>
<b>Net Current Assets</b>	<b>\$102,174,776</b>	<b>\$146,908,816</b>
<b>Add back: Borrowings</b>	\$2,445,660	\$544,913
<b>Add back: Lease Liabilities</b>	\$362,194	\$76,531
<b>Add back: Contract Liabilities for developer contributions</b>	\$1,221,867	
<b>Less: Cash Backed Reserves</b>	\$86,595,611	\$86,595,612
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$19,608,886</b>	<b>\$60,934,648</b>